

Officers

President

Patricia Braynon
Miami-Dade
County, Florida
Housing Finance
Authority

May 7, 2008

Vice President

Jim Shaw
Austin, Texas
Capital Area
Housing Finance
Corporation

Office of the Comptroller of the Currency
250 E Street, SW, Mail Stop 1-5
Washington, DC 20219
Docket ID OCC-2007-0012

Treasurer

Paula Sampson
Fairfax County,
Virginia
Department of
Housing &
Community
Development

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
RIN 3064-AC97

Secretary

Ernestine Garey
Atlanta, Georgia
Development
Authority

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1290

Past President

Norman S.
McLoughlin
Kitsap County,
Washington
Consolidated
Housing Authority

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision

Directors

Tom Cummings
Pittsburgh,
Pennsylvania

1700 G Street, NW
Washington, DC 20552

ID OTS-2007-0030

Re: Community Reinvestment Act; Interagency Questions and Answers
Regarding Community Reinvestment; Notice: OCC-2007-0012; RIN 3064-AC97;
OP-1290; and OTS-2007-0030

Dear Lady and Gentlemen:

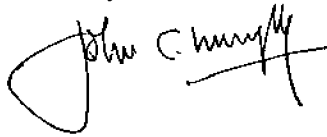
I am writing on behalf to the National Association of Local Housing Finance Agencies (NALHFA) whose members finance affordable rental housing for low-and moderate-income families using tax-exempt, as well as taxable, housing bonds. It has come to NALHFA's attention that the Office of the Comptroller of the Currency does not give fully weighted community development loan recognition for "Letters of Credit" (LOC) in performance evaluation.

NALHFA strongly urges the OCC to reconsider this practice and give LOCs provided by financial institutions full credit under the Community Reinvestment Act, the same treatment as that afforded direct loans that support affordable housing. Without these LOCs housing finance agencies will have considerable difficulty marketing their bonds.

In 2007, local housing finance agencies issued in excess of \$2 billion in tax-exempt, affordable multifamily bonds. Many of these bonds were credit-enhanced by LOCs issued by financial institutions. These LOCs provide security to the bond purchasers that they will be made whole should there be a default of the bonds. These LOCs are tantamount to lending to the project and are underwritten as such.

The nation faces an affordable rental housing crisis. Local housing finance agencies are doing their part to help address this crisis. They need willing partners to help them with their financings. Letters of Credit providers are essential to these financings and they should be given full CRA credit for their contribution to the transaction.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Murphy". The signature is stylized with a large, looped initial "J" and a long, horizontal stroke at the end.

John C. Murphy
Executive Director